

Message Text

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E.O. 11652: GDS

TAGS: MILI, EIND, IT, US

SUBJ: BRIBERY CHARGES AGAINST U.S. MILITARY

1. MARCH 2 MESSAGGERO IN ARTICLE BY-LINED LUCIO MANISCO (WASHINGTON CORRESPONDENT) RELATES INFORMATION ATTRIBUTED TO ERNEST F. HAUSER, "EX-MANAGER OF LOCKHEED EUROPE", THAT U.S. MILITARY ASSIGNED TO NATO AND TO MAAGS ARE REGULAR RECIPIENTS OF LARGE BRIBES FROM U.S. ARMAMENTS MANUFACTURERS AND THAT PENTAGON TOLERANT OF PRACTICE IN INTEREST OF PROMOTING SALES OF U.S. EQUIPMENT. ARTICLE CONTINUES WITH ASSERTION THAT THE AWACS PROGRAM HAS ALREADY INVOLVED THE DISTRIBUTION OF LARGE SUMS IN GRAFT. TEXT IS AT PARA 5.

2. IN OUR VIEW, THIS LATEST EXAMPLE OF ITALIAN JOURNALISTIC SCANDAL-MONGERING IS WELL ABOVE OUR THRESHOLD OF TOLERANCE. APART FROM THE OBVIOUS IMPACT ON ITALIAN ATTITUDES TOWARD NATO AND ALL THAT IMPLIES IN THESE PERLOUS TIMES, BY IMPUNGING THE PROBITY OF THE MILITARY MEMBERS OF THIS MISSION IT COULD WEAKEN IMPORTANT RELATIONS WITH THE ITALIAN MILITARY. MORE-OVER, THE ALLEGATIONS ABOUT CORRUPTION IN AWACS CAN ONLY SERVE TO FURTHER ENFEEBLE THE AMBIVALENT ITALIAN POSTURE TOWARD THE SYSTEM, AND MAY HAVE REPERCUSSIONS ELSEWHERE IN EUROPE.

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3. WE CAN OFFER FEW SUGGESTIONS AS TO HOW THE DEPARTMENT MAY WISH TO RESPOND TO THIS LATEST, AND FROM THIS PERSPECTIVE CLEARLY LIBELOUS, ASSAULT ON THE INTEGRITY OF OFFICERS OF THE GOVERNMENT OF THE UNITED STATES. WE WOULD HOPE THAT IT WOULD BE POSSIBLE TO BRING ACTION AGAINST THE WRITER AND HIS SOURCE OF FORCE DOCUMENTATION OF THEIR ALLEGATIONS AND IDENTIFICATION OF THE ACCUSED. AT THE LEAST, WE ARE HOPEFUL THAT THE DEPARTMENT CAN, USING THIS ARTICLE, MAKE A STRONG PUBLIC STATEMENT CONDEMNING THE IRRESPONSIBLE MUCKRAKING IT REPRESENTS.

4. THE MARCH 3 ROME DAILY AMERICAN FRONT PAGES AN AP STORY ALONG THE SAME LINE, WITH HAUSER AGAIN THE SOURCE. THE DAILY AMERICAN VERSION DOES NOT MENTION AWACS. IT DOES REPORT THAT HAUSER "LEFT LOCKHEED AS A CUSTOMER RELATIONS OFFICER AFTER SUFFERING A HEART ATTACK IN 1964", WHILE THE MANISCO STORY HAS HIM "PROMOTING THE SALE OF THE STARFIGHTER" TO EUROPE IN THE 1970'S.

5. BEGIN TEXT:

HIGH RANKING AMERICAN OFFICIALS ASSIGNED TO NATO AS MILITARY ADVISORS ARE RECEIVING PAYOFFS AMOUNTING TO FROM EIGHT TO SIXTEEN MILLION LIRE FROM U.S. AERONAUTICAL COMPANIES SUCH AS LOCKHEED, BOEING AND NORTHROP, TO INFLUENCE DECISIONS OF INDIVIDUAL EUROPEAN GOVERNMENTS ON ACQUISITION OF THIS OR THAT AIRCRAFT PRODUCED BY THE COMPANIES. THE DISCLOSURE MADE BY ERNEST F. HAUSER, EX-MANAGER OF LOCKHEED IN EUROPE, WHO PREVIOUSLY ADMITTED HAVING BRIBED A GENERAL IN THE ITALIAN AIR FORCE IN 1962, COINCIDED WITH THE PENTAGON'S ANNOUNCEMENT THAT PRELIMINARY AGREEMENT HAS BEEN REACHED ON THE SALE TO NATO GOVERNMENTS OF A CONTROVERSIAL AND VERY EXPENSIVE AIRCRAFT MADE BY BOEING UNDER INVESTIGATION BECAUSE OF 70 MILLION DOLLARS IN "BLACK" FUNDS DISTRIBUTED IN FOREIGN COUNTRIES. THE AIRCRAFT IS THE AWACS (AIRBORNE WARNING AND CONTROL SYSTEM), AN OLD 707 EQUIPPED WITH RADAR AND ELECTRONIC SYSTEMS WHICH COSTS AT LEAST 104 MILLION, 100 THOUSAND DOLLARS - ABOUT 80 BILLION LIRE. IT IS NOT KNOWN HOW MANY OF THE 32 JETS DESTINED FOR NATO AT A TOTAL COST OF 2 BILLION, 200 MILLION DOLLARS ITALY HAS AN OPTION ON NOR WHETHER THE DECISION OF THE ITALIAN MINISTRY OF DEFENSE WAS INFLUENCED BY THE "TECHNICAL OPINION" OF THOSE HIGH-RANKING CONFIDENTIAL

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AMERICAN OFFICIALS, WHO, ACCORDING TO HAUSER, RECEIVE PAYOFFS FROM BOEING.

IN AN INTERVIEW PUBLISHED BY "THE ARIZONA REPUBLIC", THE EX-LOCKHEED MANAGER STATED THAT THE ILLEGAL PAYOFFS RECEIVED ALMOST ALWAYS AROUND CHRISTMAS BY THE AMERICAN COLONELS ARE IGNORED OR TOLERATED BY THE PENTAGON. THE HIGH RANKING OFFICIALS ARE WORKING FOR THE MAAG, WHOSE JOB IS TO

FURNISH TECHNICAL-MILITARY EXPERTISE TO INDIVIDUAL NATO COUNTRIES ON THE CHARACTERISTICS OF AIRCRAFT AND OTHER ARMAMENT MADE AND SOLD ABROAD BY THE U.S. "I AM SURE THAT THIS KIND OF PRACTICE IS CURRENT", SAID HAUSER, "AND I DON'T KNOW HOW IT CAN BE ERADICATED. THIS HAS BEEN TRUE FOR MANY YEARS. EVERY LARGE AERONAUTICAL COMPANY IN THE U.S.: LOCKHEED, NORTHROP OR BOEING, IS TRYING TO HAVE A CERTAIN NUMBER OF THESE OFFICIALS ON HIS SIDE IN ORDER TO BE CERTAIN THAT THE INDIVIDUAL COUNTRIES WILL BUY ITS PRODUCTS. THE TOP MEN IN THE PENTAGON KNOW ABOUT THESE PAYOFFS BUT LOOK AT THE OTHER SIDE. THEY THINK THAT THE COLONELS ARE PROMOTING BUSINESS FOR THE AMERICAN COMPANIES AND THAT IF THEY RECEIVE SOME RECOMPENSE THERE IS NOTHING WRONG. IN MY TIME PEOPLE WERE TALKING ABOUT ONE OF THESE OFFICERS ABOUT WHOM IT WAS UNDERSTOOD THAT HE WAS OBVIOUSLY PROMOTING THE SALE OF THE PRODUCTS OF ONE COMPANY".

HAUSER ADDED THAT A CHRISTMAS PAYOFF OF TEN OR TWENTY THOUSAND DOLLARS GIVEN CLANDESTINELY CONSTANTLY AND THESE SUMS WERE MADE TO PASS AS PUBLIC RELATIONS EXPENSES IN THE LOCKHEED BUDGET AND IN OTHER COMPANIES. IN A "GREED DIARY" KEPT BY THE EX-MANAGER OF THE COMPANY AT THE BEGINNING OF THE '70'S WHILE HE WAS PROMOTING THE SALE OF THE STARFIGHTER TO HOLLAND, WEST GERMANY AND ITALY, THE NAMES OF SOME OF THESE AMERICAN COLONEL AND HIGH RANKING EUROPEAN OFFICIALS BRIBED BY LOCKHEED APPEARED. THE "GREEN DIARY" IS PRESENTLY BEING HELD BY THE CHURCH SUB-COMMITTEE WHICH IS CONDUCTING THE INVESTIGATION OF MULTI-NATIONALS. TODAY'S PENTAGON STATEMENT CONCERNING THE IMMINENT SALE TO NATO OF 32 AWACS TOOK THE AMERICAN AERONAUTICAL INDUSTRY BY SURPRISE, BOTH BECAUSE IT FOLLOWED BY A FEW DAYS THE NEWS THAT THE SECURITIES AND EXCHANGE COMMISSION HAD OPENED AN INQUIRY INTO THE 70 MILLION DOLLARS IN "BLACK" FUNDS DISTRIBUTED BY BOEING AND BECAUSE OF THE KNOWN OPPOSITION OF SEVERAL EUROPEAN GOVERNMENTS TO CONFIDENTIAL

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ACQUIRING AIRCRAFT OF THIS KIND. THE MODIFIED 707 ARE COMMAND JETS WHICH, WITH THEIR RADAR AND ELECTRONIC INSTRUMENTS, CAN INTERCEPT ARRIVING ENEMY AIRCRAFT OR MISSILES. THE COST OF THE AIRCRAFT DESTINED FOR NATO IS PROHIBITIVE FOR SEVERAL REASONS, NOT THE LEAST OF WHICH IS THE PURPOSE OF LOWERING THE PRICE OF THE AIRCRAFT ORDERED BY THE PENTAGON. IT HAS BEEN CALCULATED THAT 25 PERCENT OF THE ORDER, SPECIAL EQUIPMENT AND SPARE PARTS, WILL BE PRODUCED IN EUROPE. IF BOEING HAS ADOPTED THE SAME METHODS AS LOCKHEED TO PROMOTE AWACS, THE "BLACK" FUNDS DISTRIBUTED AMONG THE FUNCTIONARIES AND GOVERNMENTAL EXPONENTS OF NATO MUST BE 100 MILLION DOLLARS, ABOUT 80 BILLION LIRE.

END TEXT.VOLPE

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